

ITEM NO: _____

PREPARED BY: Dottie Jones

APPROVED BY: Christy L. Kinard
Assistant County Attorney

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE REQUESTING THE SHELBY COUNTY DELEGATION TO SUPPORT, AND MEMBERS OF THE TENNESSEE GENERAL ASSEMBLY TO ENACT, SENATE BILL 3388 AND HOUSE BILL 3593 CREATING A PILOT PROJECT IN SHELBY COUNTY, TENNESSEE FOR A VOLUNTARY FORECLOSURE MEDIATION PROGRAM. SPONSORED BY COMMISSIONER STEVE MULROY.

WHEREAS, Foreclosures and seriously delinquent home loans have jumped to their highest levels over the past couple of years as unemployment increasingly hurts homeowners with traditional mortgages; and

WHEREAS, Foreclosures earlier in the recession largely hit homeowners who were marginal buyers, financing their houses through subprime mortgages. Now many families with traditional mortgages who didn't overextend themselves are fueling the trend, facing the loss of their homes because of layoffs; and

WHEREAS, Foreclosures have multiple and far reaching impacts on cities in which they occur, especially when they are concentrated in distressed neighborhoods that are already struggling with issues of economic development and poverty; and

WHEREAS, The City of Memphis and Shelby County are facing an unprecedented crisis in residential mortgage foreclosures and between the years 2000 and 2008 the number of foreclosures in Memphis and Shelby County increased by 180%; and

WHEREAS, Senate Bill 3388 and House Bill 3593 have been introduced to create a pilot project in Shelby County to encourage lenders and borrowers to enter into mediation to resolve delinquent loan issues; and

WHEREAS, Foreclosure mediation programs are becoming a national trend which has achieved great success over the past few years; and

WHEREAS, The Shelby County Commission believes that the existence of such a pilot program will benefit the citizens of Shelby County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, that this Board, after careful consideration hereby requests the Shelby County Legislative Delegation to support, and members of the Tennessee General Assembly to enact, Senate Bill 3388 and House Bill 3593, a copy of which is attached hereto and incorporated herein by reference, amending Tennessee Code Annotated, relative to creating a pilot project in Shelby County, Tennessee for a voluntary foreclosure mediation program.

BE IT FURTHER RESOLVED, that the Shelby County Legislative Delegation and members of the Tennessee General Assembly be made aware of this request by copy of this resolution.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, the public welfare requiring the same.

Joe Ford, County Mayor

Date: _____

ATTEST:

Clerk of County Commission

ADOPTED: _____

SUMMARY SHEET

I. Description of Item

Resolution requesting members of the Tennessee General Assembly to enact, SB3388/HB3593 creating a PILOT project in Shelby County, Tennessee for a voluntary foreclosure mediation program.

Foreclosures and seriously delinquent home loans have jumped to their highest levels over the past couple of years as unemployment increasingly hurts homeowners with traditional mortgages. Foreclosures earlier in the recession largely hit homeowners who were marginal buyers, financing their houses through subprime mortgages. Now many families with traditional mortgages who didn't overextend themselves are fueling the trend, facing the loss of their homes because of layoffs. Foreclosures have multiple and far reaching impacts on cities in which they occur, especially when they are concentrated in distressed neighborhoods that are already struggling with issues of economic development and poverty. The City of Memphis and Shelby County are facing an unprecedented crisis in residential mortgage foreclosures. Between the years 2000 and 2008 the number of foreclosures in Memphis and Shelby County increased by 180%. Foreclosure mediation programs encourage lenders and borrowers to come together to resolve the delinquent loan issue and are becoming a national trend which has achieved great success over the past few years.

II. Source and Amount of Funding

Not applicable.

III. Contract Items

Not applicable.

IV. Additional Information Relevant to Approval of this Item

Text of proposed legislation is attached.

